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Testimony of David Sutherland – Director of Government Relations
Before the Energy and Technology Committee – March 5th, 2019

Regarding Bill 7251 – AAC *LONG-TERM CONTRACTS FOR CERTAIN CLASS I GENERATION PROJECTS AND THE RESIDENTIAL SOLAR INVESTMENT PROGRAM AND REQUIRING A STUDY OF THE VALUE OF SOLAR.*

On behalf of The Nature Conservancy's Connecticut Chapter, I would like to express our concern that Bill 7251 does not address the serious problems that PA 18-50 created for the residential solar market.

We and others have long advocated for a Value of Solar study, which this bill mandates in Section 3. In the current budget crisis, however, it seems highly unlikely that the bill will be passed with this mandate intact. We support the proposal submitted by a coalition of solar companies and advocates for PURA and the Green Bank to cooperate on a Value Study, but while that approach may be more fiscally feasible than the DEEP/ CAS Study in Bill 7251; we remain concerned that this alternative may also not be passed in this budget climate.

In the absence of such a study, we do not believe that the burden of proof should rest with the solar industry to dispute the claim that existing incentives for residential solar place a cost burden on non-solar ratepayers.

Many of these "cost shift" claims are not based on a comprehensive review of all the costs and benefits of small-scale solar. A 2016 Brookings Institute report, *Rooftop solar: Net metering is a net benefit*, reviews and compiles reviews of over a dozen Value of Solar studies done by utility regulators, academic institutions, and non-profit organizations. While noting a few studies which showed that net metering results in a cost to non-solar electric customers, the report states:

> "what does the accumulating national literature on costs and benefits of net metering say? Increasingly it concludes— whether conducted by PUCs, national labs, or academics — that the economic benefits of net metering actually outweigh the costs and impose no significant cost increase for non-solar customers. Far from a net cost, net metering is in most cases a net benefit—for the utility and for non-solar rate-payers."

A subsequent op-ed piece published by Brookings, by the Executive Director of the Institute for Electric Innovation, takes issue with the earlier report. It notes at least one study not included in the earlier report and a subsequent correction of another study cited in the report. This op-ed, however, in its own analysis, restricts itself to the direct costs of a solar building's grid use,

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makes only passing reference to fixed charges paid by solar customers, and does not include any benefits to the grid or electric system provided by roof-top solar.

The Brookings report and op-ed piece at the very least demonstrate the need for States, before they radically change net metering, to conduct ***comprehensive*** studies to assess the costs and benefits of distributed energy, compared with other energy sources. Bill 7251, by extending the Residential Solar Incentive Program (RSIP) program, would in effect provide some time for such a study to be conducted, but as I stated above, it is unlikely the legislature will fund such a study. The likely result of Bill 7251 therefore, would be to delay action in addressing the radical and damaging changes that PA 18-50 mandated for net metering and the residential solar industry, while not providing any new information for a more deliberative approach to net metering changes.

While Bill 7251 would delay those damaging changes; if it does not explicitly reverse them, the solar industry and our electric utilities, to be prudent, would have to prepare for those PA 18-50 changes. The solar industry would be faced with planning their business future while constantly "looking over their shoulder" at the looming changes catching up to them, a very poor posture for creating or even maintaining jobs. Other states that have made significant changes to net metering have seen significant decreases in solar employment.

Another factor which could probably not be weighed in a Value of Solar study, but which is significant in Connecticut is the issue of siting. While grid-scale solar deployment in our state is absolutely essential to meet our needs for renewable energy, Connecticut, as one of the most densely populated states in the country, has fewer suitable sites for industrial-scale solar than many other states. Our remaining farms and large, minimally fragmented forests are proportionately more important than they are in states with far greater amounts of such resources. We also have less wind than many other states. One resource we have in greater proportion to our geographic size than many other states is rooftops. Installing as many solar arrays on as many roofs – residential, commercial, and institutional - as we can, while also promoting well-sited grid-scale solar, is critical to avoiding the increasing controversies we are seeing regarding the siting of large-scale solar, and critical to creating an energy system for the future.

We certainly support the essential extensions of the RSIP and LREC/ZREC programs that are included in Bill 7251, but unless the bill is amended to reverse PA 18-50's changes to net metering, Connecticut will remain an uncertain and risky state for the residential solar industry. This uncertainty and risk will drive some companies and jobs completely out of the state and will present an unnecessary and significant hardship to thousands of Connecticut workers in the industry, to the homeowners who intend to install solar when they replace their roof in a few years, and to those who know that solar has to play a critical role in reducing our greenhouse gas emissions.